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Chile

Fresh Deciduous Fruit Semi-annual

Apples, Table Grapes, Pears and Apple Juice Semi-annual

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Report Highlights:

Chile's apples, table grapes and pear production and exports are expected to fall when compared to the previous year as a result of adverse weather conditions in most growing areas, together with the impact the earthquake had in the central agricultural production areas in Chile.

Executive Summary:

New estimates show that production of apples, table grapes and pears will fall in MY2010, as these have been affected by abnormal weather during last spring with low temperatures, freezing weather, rain and hail, together with the effects of the severe earthquake that affected most of the agricultural production areas last February.

Commodities:

Apples, Fresh

Production: Abnormal weather conditions observed in most fruit producing areas delayed the beginning of the harvest season for apples. Low temperatures, freezing weather, rain and hail in some parts of the fruit producing areas explain the projected fall in total production of apples for MY2010, when compared to last year's output. The so called El Niño phenomenon which calls for out of season rain and lower than normal and unusual variations in temperatures from one day to the other, affected total production and the quality of the harvest of apples. Consequently total exports are expected to fall when compared to the previous year.

Consumption:

There are no official statistics on domestic fresh apple consumption. The figures shown in our PS&D table are estimated as a residual of production, minus apples destined for processing and known exports.

Trade:

Due to a smaller harvest and stocks at the beginning of the Chilean export season in Europe and the United States a strong demand for Chilean apples can be observed during this production season. A smaller production together with some losses during the strong earthquake that hit Chile February 27, 2010 explains the higher than last year prices that are being obtained in selected markets. Some exporters report price increases of up to 50 percent for apples delivered during the first three months of the export season. The industry reported some losses of apples that were shaken off the trees by the strong quake in late February.

Production, Supply and Demand Data Statistics:

Apples, Fresh Chile	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	37,197	37,197	37,197	37,250	37,250	37,250	37,300	37,300	37,300
Area Harvested	2,049	2,049	2,049	32,780	32,780	32,780	32,900	32,900	32,900
Bearing Trees	14,422	14,422	14,422	14,750	14,750	14,750	14,800	14,800	14,800
Non-Bearing Trees	2,343	2,343	2,343	2,039	2,039	2,039	2,011	2,011	2,011
Total Trees	16,765	16,765	16,765	16,789	16,789	16,789	16,811	16,811	16,811
Commercial Production	1,340,0 00	1,340,0 00	1,340,0 00	1,270,0 00	1,270,0 00	1,270,0 00	1,360,0 00	1,360,0 00	1,080,0 00
Non-Comm. Production	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Production	1,350,0 00	1,350,0 00	1,350,0 00	1,280,0 00	1,280,0 00	1,280,0 00	1,370,0 00	1,370,0 00	1,090,0 00
Imports	80	78	83	40	50	146	50	50	50

Total Supply	1,350,080	1,350,078	1,350,083	1,280,040	1,280,050	1,280,146	1,370,050	1,370,050	1,090,050
Fresh Dom. Consumption	149,810	155,000	155,000	190,040	150,050	181,646	230,000	160,000	160,000
Exports	775,900	770,708	770,708	690,000	730,000	678,500	700,000	770,000	545,000
For Processing	424,370	424,370	424,375	400,000	400,000	420,000	440,050	440,050	385,050
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1,350,080	1,350,078	1,350,083	1,280,040	1,280,050	1,280,146	1,370,050	1,370,050	1,090,050

Export Trade Matrix

Country	Chile				
Commodity	Apples, Fresh				
Exports for:	2008	2009			
Time Period	Jan-Dec	Units:	M.T. & Thou US\$		
:	Volume	Value		Volume	Value
U.S.	93,784	96,616	U.S.	88,057	65,079
Others	Others				
Netherlands	83,829	71,862	Netherlands	64,950	37,190
Colombia	57,338	43,640	Colombia	59,293	39,050
Saudi Arabia	51,277	37,449	Peru	38,899	19,176
Venezuela	44,637	75,458	Ecuador	38,864	21,878
Ecuador	43,170	28,297	Saudi Arabia	36,068	25,197
Russia	38,279	30,619	Taiwan	31,953	34,347
U.K.	37,771	35,510	UK	30,696	22,665
Taiwan	35,108	41,766	Russia	30,446	20,676
Spain	28,164	24,923	Venezuela	27,520	41,193
Peru	27,950	15,556	U Arab Emirates	25,458	16,826
Total for Others	447,523			384,147	
Others not Listed	229,401			206,296	
Grand Total	770,708	670,626		678,500	483,031

Commodities:

Grapes, Table, Fresh

Production:

Lower than normal temperatures affected table grape production in MY2010. The El Niño climatic phenomenon which calls for out of season rain and lower than normal and unusual variations in temperatures from one day to the other, affected total production and the quality of the harvest of table grapes. The lower temperatures, freezing weather, rain and hail that affected some production areas had a negative effect on total output of grapes. In the northern and central production areas the impact was with freezing weather, affecting mainly the quality and further south, rain and hail affected mainly by delaying the beginning of the harvest for up to three weeks in some areas. As a result of lower temperatures the fruit the grains in bunches are of a smaller size together with a smaller number of bunches per vine are obtained. Additionally, the earthquake of February 27 that affected directly the infrastructure at farm, province and regional level will result in lower than both, last years output and our previous production estimates. Damages and loses due to the collapse of warehouses and

cold storage facilities, a lack of energy (mainly electricity), water and absenteeism of the labor force are the main factors that affected fruit production after the earthquake. Roads and port facilities were also damaged bringing the export activity to a halt for almost two weeks.

Consumption:

As with other Chilean fresh fruits, domestically consumed table grapes are mainly export rejects. There are no official statistics on domestic consumption. Domestic fresh consumption is derived from the only known figure, which is exports, and estimated production data. Domestic consumption and processing, generally accounts for about 30 percent of total output.

Trade: Due to a smaller and in certain areas lower quality production together with the negative effect of the earthquake, total exports are estimated to be lower than both, last year's exports and our previous projections. Producers reported that the fruit harvesting season which started late due to weather problems during last spring, lost another two weeks as a result of the quake. This loss of time did not allow them to meet deadlines for delivering grapes on time to many markets among them the United States before the Marketing Order deadline. Producers in Chile have always been reluctant to ship after the marketing order comes into effect as they normally don't meet the quality required with the variety of table grapes harvested at the end of the season which is Thompson Seedless.

Production, Supply and Demand Data Statistics:

	2007			2008			2009		
Grapes, Fresh Chile	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	56,250	56,250	56,250	56,000	56,000	56,000	56,000	56,000	62,410
Area Harvested	47,840	47,840	47,840	48,900	48,900	48,900	49,100	49,100	53,000
Commercial Production	1,180,000	1,180,000	1,180,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,020,000
Non-Comm. Production	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Production	1,185,000	1,185,000	1,185,000	1,205,000	1,205,000	1,205,000	1,205,000	1,205,000	1,025,000
Imports	260	264	264	150	150	292	150	150	260
Total Supply	1,185,260	1,185,264	1,185,264	1,205,150	1,205,150	1,205,292	1,205,150	1,205,150	1,025,260
Fresh Dom. Consumption	348,360	115,000	348,379	355,150	120,000	354,887	345,150	125,000	260,260
Exports	836,900	836,885	836,885	850,000	840,000	850,405	860,000	835,000	765,000
For Processing	0	233,379	0	0	245,150	0	0	245,150	0
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1,185,260	1,185,264	1,185,264	1,205,150	1,205,150	1,205,292	1,205,150	1,205,150	1,025,260

Export Trade Matrix

Country	Chile				
Commodity	Grapes				
Exports for:	2008	2009			
Time Period	Jan-Dec	Units:	M.T. & Thou US\$		
	Volume	Value		Volume	Value
U.S.	435,021	637,751	U.S.	467,933	627,506
Others	Others				
Netherlands	95,623	124,472	Netherlands	80,979	94,658
U.K.	62,825	97,576	U.K.	52,984	77,601
Russia	45,438	63,649	Russia	30,492	39,081

So. Korea	29,548	51,793	Hong-Kong	30,222	45,021
Mexico	22,426	32,726	So. Korea	25,991	40,491
Hong-Kong	14,929	22,520	México	19,138	25,020
Germany	12,857	13,797	Germany	13,531	13,697
Spain	12,805	18,325	Spain	12,299	14,899
China	9,195	15,838	China	12,284	19,207
Taiwan	8,528	14,436	Brazil	10,872	12,792

Total for Others	314,174		288,793	
Others not Listed	87,690		93,680	
Grand Total	836,885	1,250,051	850,405	1,135,258

Commodities:

Pears, Fresh

Production:

Adverse weather conditions observed in most fruit producing areas during last spring affected also total pear production for this season. Low temperatures, freezing weather, rain and hail in some parts of the producing areas explain the projected fall in total output of pears for MY2010, when compared to last year's production. The so called El Niño phenomenon which calls for out of season rain and lower than normal and unusual variations in temperatures from one day to the other, affected the total and the quality of the harvest of pears. Consequently total exports are expected to fall when compared to the previous year.

Consumption: Most pears are consumed fresh because only a few existing varieties in Chile can be processed for canned pears or juice concentrates. Domestically consumed pears are mainly export rejects.

Trade:

The estimated smaller production is expected to result in a corresponding reduction of exports.

Production, Supply and Demand Data Statistics:

Pears, Fresh Chile	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590
Area Harvested	5,911	5,911	5,911	6,000	6,000	6,000	6,000	6,000	6,000
Bearing Trees	2,937	2,937	2,937	2,981	2,981	2,981	2,981	2,981	2,981
Non-Bearing Trees	329	329	329	285	285	285	285	285	285
Total Trees	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266
Commercial Production	270,00	270,00	270,00	278,00	278,00	278,00	278,00	278,00	264,00
	0	0	0	0	0	0	0	0	0
Non-Comm. Production	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Production	272,00	272,00	272,00	280,00	280,00	280,00	280,00	280,00	266,00
	0	0	0	0	0	0	0	0	0
Imports	24	24	32	0	0	0	0	0	0
Total Supply	272,02	272,02	272,03	280,00	280,00	280,00	280,00	280,00	266,00
	4	4	2	0	0	0	0	0	0
Fresh Dom. Consumption	75,422	76,000	76,000	81,000	77,000	82,000	78,000	77,000	77,000
Exports	133,66	133,08	133,08	132,00	136,00	129,57	134,00	135,00	126,00

	6	8	8	0	0	0	0	0	0
For Processing	62,936	62,936	62,944	67,000	67,000	68,430	68,000	68,000	63,000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	272,024	272,024	272,032	280,000	280,000	280,000	280,000	280,000	266,000

Export Trade Matrix

Country	Chile				
Commodity	Pears, Fresh				
Exports for:	2008	2009			
Time Period	Jan-Dec	Units:	M.T. & Thou US\$		
	Volume	Value		Volume	Value
U.S.	25,061	21,916	U.S.	18,187	15,156
Others	Others				
Netherlands	27,166	28,478	Netherlands	26,739	21,845
Italy	12,325	17,359	Italy	14,605	16,763
Colombia	11,925	10,089	Colombia	13,514	10,074
Venezuela	11,532	22,265	Peru	9,790	5,934
Peru	7,218	4,827	Venezuela	8,460	13,133
Ecuador	6,789	4,965	Ecuador	6,730	4,445
Spain	5,741	5,537	Germany	5,179	4,252
Russia	4,134	3,346	Spain	5,032	4,810
Belgium	3,135	2,966	Russia	3,728	2,963
Germany	2,307	2,756	UA Emirates	2,275	2,181
Total for Others	92,272			96,053	
Others not Listed	15,755			15,330	
Grand Total	133,088	138,379		129,570	113,012

Commodities:

Apple Juice, Concentrated

Production:

Chile's production of apple juice concentrate (AJC) primarily reflects foreign demand and apple for processing availability. The apple juice industry mainly processes export rejects. The industry has also encouraged farmers to plant sour-type apples, as well as to expand new plantings of apple varieties mainly for juice purposes. The apple juice industry competes with the pulp industry for the apples left from the fresh exported process. A smaller output of apples in MY2010 calls for a smaller AJC production for the same period.

Consumption:

Only a small amount of AJC, principally single-strength juice, is consumed domestically. AJC competes with a variety of fresh and processed juices in Chile.

Trade:

The United States continues to be Chile's largest AJC export market, accounting for over 60 percent of total export sales in 2009. Other markets of increasing importance are Japan, Mexico and Canada. Latin American export markets also are growing. Levels of AJC exports will depend upon foreign demand and the ability of the industry to compete in international markets against other suppliers such as China.

Production, Supply and Demand Data Statistics:

Export Trade Matrix

Country	Chile				
Commodity	Apple Juice, Concentrated				
Exports for:	2008	2009			
Time Period	Jan-Dec	Units:	M.T.		
Units:	Volume	Value		Volume	Value
U.S.	26,426	45,108	U.S.	23,770	24,447
Others			Others		
Japan	5,513	9,768	Japan	5,207	5,990
Canada	3,166	5,611	México	3,761	4,585
México	2,546	5,520	Canada	3,677	3,130
Costa Rica	306	646	So. Korea	848	906
Peru	186	427	Costa Rica	199	352
So. Korea	108	229	Peru	140	200
Panamá	80	175	Panamá	123	155
Dominican Rep.	69	151	Venezuela	98	106
Pakistan	65	127	Ecuador	56	94
Colombia	56	115	Dominican Rep.	55	74
Total for Others	12,094			14,164	
Others not Listed	147			212	
Grand Total	38,667	68,170		38,146	40,318